ENVIRONMENTAL PROTECTION AGENCY

Office of Mission Support

Real Property Efficiency Plan

FISCAL YEARS 2020 - 2024 (Final)

Cover: William Jefferson Clinton South Building on EPA's Headquarters Federal Triangle Campus in Washington, D.C.

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INTRODUCTION

The U.S. Environmental Protection Agency's (EPA) mission, to protect human health and the environment, is carried out in office facilities, warehouses, and laboratories located throughout the United States. EPA continues to evaluate its real estate portfolio – both office/warehouse spaces and laboratory facilities – to make the most cost-effective decisions for the future, ensure efficient use of government resources, and safeguard the long-term sustainability of our facilities. Using a national approach, engineering analyses, and an agencywide office space standard, EPA has amassed considerable space reductions in recent years.

At the end of fiscal year (FY) 2018, EPA's real property portfolio totaled 8.712 million square feet (SF) of space, including office, warehouse, laboratory, and other spaces (see Table 1 on page 3). EPA's Reduce the Footprint (RTF) policy-applicable real property portfolio, which consists solely of office and warehouse spaces, at the end of FY2018 was composed of 400,000 SF of EPA-owned space, 4.625 million usable square feet (USF) of General Services Administration (GSA)-leased space, and 8,000 USF direct-leased space. EPA's real property portfolio is small relative to those of other federal agencies. EPA has limited authority to manage its real property portfolio. For example, EPA does not have tools such as enhanced-use lease authority, construction/purchase authority, or direct-lease authority (although direct-lease authority has historically been temporarily granted in a few instances). EPA does, however, have the ability to return GSA-owned or -leased spaces to GSA at the end of a lease term or Occupancy Agreement (OA) or, if a lease is severable and marketable, turn over contiguous spaces no longer deemed necessary to GSA. While EPA does have authority under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to seize property abandoned by a Potentially Responsible Party, the agency serves as a steward only during remedial response actions and does not consider these properties to be part of its real property portfolio.

EPA has executed an aggressive strategy of space reduction and consolidation, driven by the agency's dedication to its environmental mission and a reduction in EPA workforce. EPA's space-reduction efforts has resulted in considerable reduction to lease costs. The agency also avoids costs by discontinuing upgrades and investments in real property assets scheduled for disposal in the near future.

Since the issuance of the Freeze the Footprint (FTF) policy in FY2013, EPA has continually pursued an aggressive space reduction strategy. Over the duration of the FTF policy, from FY2012 through FY2015, EPA released 248,854 SF of office and warehouse spaces across regional and program offices, a 4.21 percent decrease from the FY2012 FTF baseline of 5,906,847 SF. FY2015 marked the baseline year of the RTF policy in concert with the Office of Management and Budget's (OMB's) National Strategy for Real Property. From the FY2015 RTF baseline through the end of FY2018, EPA released office and warehouse space totaling 331,788 SF. EPA is targeting additional office and warehouse reductions totaling 608,971 SF between FY2019 and FY2024.

ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS

EPA's Office of Mission Support (OMS) manages real property assets in support of the agency's mission nationwide, including Headquarters, 10 Regions, and 11 Program Offices. The Assistant Administrator for OMS serves as EPA's Senior Real Property Officer (SRPO) and asset manager for the entire agency, although some authority is delegated. The SRPO's authority to set real property policy, to request leased office and laboratory space from GSA, and to accept titles and record deeds on the agency's behalf is delegated to the Director, Office of Administration.

Capital construction and leasing project approval procedures are governed by the estimated cost and type of the project. Repair and Improvement (R&I) projects are funded from a specific Buildings and Facilities (B&F) appropriation on an individual project level basis. For these projects, the Real Property Services Division (RPSD) develops a Program of Requirements (POR) based on input received from various stakeholders, including the requirement owner (program or regional client), the Safety and Sustainability Division (SSD), and the Security Management Division (SMD). RPSD prepares a draft POR for use in developing an initial cost estimate. The EPA program office or region requesting a project and the EPA stakeholders vested in the project conduct a formal review of the draft POR and are provided opportunities to submit additional comments.

Once the project is approved and funded by appropriation, the design phase begins. EPA conducts additional analytical studies to provide more detailed cost estimates, implementation options, design directives, and scheduling and phasing plans before the project's construction phase. EPA identifies R&I requirements during short-range planning. The Agency documents projected repair and alteration needs in facility condition assessments and master plans. Condition assessments, which occur periodically, detail R&I needs based on two categories: (1) architectural/structural and (2) mechanical, electrical, and plumbing (MEP) systems. EPA reviews repair and alteration requirements annually during the budget process.

Project prioritization is the process by which appropriated B&F funding is allocated to R&I projects. Congress determines the amount of B&F funds appropriated for the upcoming year based on the budget justifications EPA submits. Based on anticipated funding, the Office of Administration creates a draft list of prioritized projects from the Master Plans, Condition Assessments, Health and Safety Audit findings, Security Assessments, and pending lease actions. This draft list of projects is reviewed by the programs and regions, who make any recommendations for proposed changes. They also add emergency B&F requirements which may have developed. A B&F operating plan for the fiscal year is finalized once the appropriated funding levels are determined.

BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

EPA's space reduction strategy is dependent upon adequate funding levels. EPA often makes up-front investments in order to achieve space reductions, including purchase of new furniture and equipment, acquisition and modification of new spaces, and completion of the Environmental Due Diligence Process for laboratory spaces. The space reduction targets within this Real

Property Efficiency Plan (RPEP) were developed with the assumption that agency funding levels for real property will meet requested funding amounts. Insufficient budget levels will impact EPA's ability to meet reduction targets. The project prioritization process for appropriated B&F funding can also affect the timeline for office and warehouse reduction targets.

PORTFOLIO STATUS

Overall Agency Building Portfolio

EPA's real property portfolio is composed primarily of office, laboratory, and warehouse spaces that are EPA-owned, leased through GSA, or leased directly from another property owner (direct lease). EPA's FY2018 portfolio summary is shown in Table 1.

Table 1: EPA FY2018 Portfolio Summary

Property Use	EPA Direct-Leased Space (SF)	EPA-Owned Space (SF)	GSA-Owned and -Leased Space (USF)	Total (SF)
Office	7,863	312,351	4,300,507	4,620,721
Warehouse	0	87,215	324,770	411,985
RTF Total	**7,863**	**399,566**	**4,625,278**	**4,963,447**
All Other	155,633	2,962,792	561,065	3,679,490
Grand Total	**163,496**	**3,362,358**	**5,186,343**	**8,712,197**

The agency's space needs are largely driven by the regional offices, which house employees in EPA's 10 regions, and regional and program laboratories, which are special-use spaces that must accommodate extensive scientific equipment and specialized laboratory processes and functions. EPA has three categories of laboratories: regional laboratories, research and development laboratories, and program laboratories. Regional laboratories are located within each of the 10 EPA regions and serve a wide variety of functions, including emergency response, support to criminal investigations and enforcement, and analysis of environmental samples. Research and development laboratories develop new assessment techniques and scientific tools, and program laboratories provide direct scientific support to their respective program offices.

Status Relative to Reduce the Footprint Baseline Requirement

Significant space reductions have been possible because of the agency's longstanding efforts to reduce space as a part of its sustainability efforts. EPA determines its RTF plan based on its Federal Real Property Profile (FRPP) submissions and OAs with GSA. EPA's performance from RTF FY2015 baseline through FY2018 is shown in Table 2 on page 4.

Table 2: Status of RTF Reductions, FY2018

Fiscal Year	RTF In-Year Reductions (SF)	RTF Portfolio Total (SF)
2015 Baseline	-	**5,364,495**
2016	174,003	**5,190,492**
2017	90,811	**5,099,681**
2018	136,234	**4,963,447**

The agency reduced its office and warehouse RTF real property footprint by 136,234 SF in FY2018. EPA has reduced its footprint every year since the FY2015 baseline. As Table 2 shows, EPA's end of FY2018 footprint was 401,048 SF smaller than at the end of FY2015. FY2018 projects included:

- **Norwood Professional Building, Norwood, Ohio**. This facility was returned in its entirety to GSA, resulting in a 28,594 USF reduction in office space. Employees located at this facility were consolidated into the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio, an EPA-owned complex.
- **Ted Weiss Federal Building, New York, New York.** EPA released the 22nd floor of this facility for a reduction of 19,538 USF. This reduction is less than previously targeted for FY2018, due to a contract award delay. The additional space reported (covering all or part of the 15th, 16th, and 20th floors) is anticipated to be released in FY2019 and FY2020.
- **Potomac Yard, Potomac Yard, Arlington, VA.** At Potomac Yard office in Arlington VA release 11th and 12 floors resulting in a reduction of 54,000 USF.
- **Epic Archive, La Plaza Business Center, Las Vegas, Nevada**. The lease for this facility was allowed to expire, resulting in a release of 6,920 USF. Requirements transferred to the Research Triangle Park complex.
- **John W. McCormack Building, Boston, Massachusetts.** GSA reduced space in the existing OA for this facility, resulting in a reduction of 6,550 USF.
- **The Hawthorne Center, San Francisco, California**. A partial floor was released in this facility, resulting in the release of 5,525 USF. This figure varies slightly from prior reporting.
- **Park Place Building, Seattle, WA.** Release of the 10th floor resulting in the reduction of 15,689 USF.
- **Robert T Matsui U.S. Courthouse, Sacramento, California**. The EPA office in Sacramento closed without replacement, resulting in a 1,794 USF release.
- **Robert A. Young Federal Building, St. Louis, Missouri.** Space totaling 1,645 USF was reduced from this office.
- **Wilshire Grand Building, Los Angeles, California.** A new OA in this building resulted in a net reduction of 1,228 USF.
- **Traverwood Business Park, Ann Arbor, Michigan.** A new OA resulted in an increase of 3,462 USF due to GSA remeasure.
- **Neal Smith Federal Building, Des Moines, Iowa**. EPA moved out of this facility without replacement, resulting in reduction of 886 USF.

- **400 Building, West Palm Beach, Florida.** EPA closed this office (553 USF) and eliminated the requirement.
- **Federal Center South Office, Seattle Washington**. EPA increased space (1,600 USF) in conjunction with the Park Place building consolidation.
- **William Jefferson Clinton Federal Building, Washington, District of Columbia.** EPA gained 1,626 USF of additional storage space.

Maintenance of the Reduce the Footprint Baseline

As a result of EPA's relatively small real property portfolio, the agency has been able to make significant reductions in its real property footprint using a streamlined business process. EPA regularly assesses opportunities to reduce not only its RTF baseline but all spaces in its portfolio. Potential space reductions are identified when regional offices notify RPSD of available space. RPSD conducts assessments of available space and develops plans to reconfigure contiguous blocks of space. EPA has recently conducted and plans to undertake consolidation projects at a majority of EPA's 10 regional offices. RPSD also tracks OA and lease expiration dates to identify future consolidation opportunities. Projected consolidation, disposal, and construction projects are noted in the attached Office and Warehouse Asset Changes Spreadsheet and summarized in Table 3 on page 6. FY2019 office and warehouse consolidation, disposal, and construction projects are noted in the aforementioned attachment in addition to FY2020-2024 projects to document current FY performance.

REDUCTION TARGETS

Reduction Targets for Office and Warehouse Space

Under the RTF policy, agencies with fewer than 200 domestic owned and leased warehouses are not required to develop reduction targets for warehouse space. EPA has a portfolio of only 41 spaces (OAs and FRPP Real Property Unique IDs) classified as warehouses and is therefore not required to develop warehouse reduction targets. Nonetheless, in this RPEP, the agency wishes to highlight warehouse space reduction efforts projected for the reporting period. Information on specific office and warehouse space reductions can be found in the attached Office and Warehouse Asset Changes Spreadsheet. Domestic office and warehouse reduction targets are shown in Table 3 on page 6.

Table 3: RTF Domestic Office and Warehouse Net Reduction[a] Targets, FY2019 – FY2024

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Office Target (USF)	181,925	156,272	217,775	-	-	-
Warehouse Targets (USF)	12,100	13,576	723	-	-	25,000

[a] Reductions are reported as a positive value.

The projects comprising the targets shown in Table 3 are narrated in more detail below. While the five-year period covered in this report is FY2020-2024, FY2019 project targets are listed here to provide status for projects whose inventory status is not final until the end of FY2019. For reporting consistency, per reporting requirements, targets reported in prior year RPEPs are not changed. Only FY2024 targets are newly introduced in this document. However, there are prior reported target projects for which EPA anticipates changes in scope or timeline. These changes, as applicable, are noted herein.

FY2019 Office and Warehouse Targets

EPA's reported FY2019 reduction targets are 181,925 USF of office space and12,100 USF of warehouse space.

- **Ted Weiss Federal Building, New York, New York.** Target reduction of 41,889 USF office space in EPA's Region 2 office resulting from reduction of entire 15th, partial 16th, and partial 20th floor consolidation is now expected to occur over FY2019 and FY2020.
- **Sam Nunn Federal Building, Atlanta, Georgia.** Target reduction of 38,323 USF office space in EPA's Region 4 office resulting from floor release is now expected to occur in FY2020.
- **EPA Building, Denver, Colorado.** New OA in existing location reflects release of 8th and 9th floors, for a reduction of 58,448 USF office space.
- **Chelsea Business Park, Boothwyn, Pennsylvania.** EPA targeted FY2019 for the consolidation of this facility with a facility in Linwood, Pennsylvania. Net reduction of 1,900 USF office space now anticipated to occur in FY2020.
- **Large Lakes Research Station, Grosse Ile, Michigan.** Target date of FY2019 for the disposal of this facility (2,700 SF warehouse, 32,847 SF laboratory and all other spaces) will not be met. Staff moves are ongoing in FY2019, after which the property will proceed through the GSA property disposal protocol, with property release expected to occur in FY2020.
- **Addison.com Center, Dallas, Texas.** Partial consolidation of warehouse space is now anticipated to result in a slightly smaller reduction (7,500 USF) than targeted (11,000 USF). This reduction is now expected to occur in FY2020.
- **Renaissance Towers and 1st Interstate Bank, Dallas, Texas.** EPA's Region 6 office released 32,825 USF of office space in June 2019 upon moving into a newly procured space.

- **U.S. Fish and Wildlife Service Building, Bismark, North Dakota.** Target date of FY2019 for the elimination of this office space (640 USF) has been pushed back indefinitely due to a project delay to address dividing of marketable space.
- **Business Bank Centre, Baton Rouge, Louisiana.** EPA is moving out of existing Baton Rouge office space into a new facility, with procurement to lead to a net reduction of 1,981 USF. This project is now expected to be completed in FY2020.
- **Perry Lane Place, Brunswick, Georgia.** The disposal of this facility without replacement resulted in a reduction of 4,656 USF office space
- **E. Kefauver Federal Building, Nashville, Tennessee.** The disposal of this facility without replacement resulted in a reduction of 1,263 USF office space.

FY2020 Office and Warehouse Targets

EPA's reported FY2020 reduction targets are 156,272 USF office space and 13,576 USF warehouse space

- **1650 Arch St., Philadelphia, Pennsylvania.** EPA plans to vacate the existing Region 3 Philadelphia office. Newly procured facility will result in a net reduction of 119,556 USF of office space. Target date of FY2020 is not likely to be met, with project completion now anticipated for FY2021.
- **Annapolis City Marina, Annapolis, Maryland.** Relocation and a new OA in Annapolis will result in a net reduction of 7,336 USF in FY2020.
- **Methodist Building, Wheeling, West Virginia.** Prior reduction target of FY2020 for this facility to be vacated is not likely to be met. Facility release now anticipated to occur in FY2021 or FY2022. New Wheeling office to result in 4,581 USF office space reduction.
- **La Plaza Business Complex, Las Vegas, Nevada.** Office and warehouse space in Las Vegas will be reduced by combined 38,375 USF in FY2020 with the consolidation of existing operations across the La Plaza Business Complex.

FY2021 Office and Warehouse Targets

EPA's reported FY2021 reduction targets are 217,775 USF office space and 723 USF warehouse space

- **Potomac Yard, Arlington, Virginia.** Headquarters offices will further consolidate to the Federal Triangle Complex, resulting in a reduction of 218,788 USF of office space.
- **Parkwood Business Properties, Coeur D'Alene, Idaho.** The facility will be released without replacement in FY2021 for a reduction of 1,240 USF.
- **Environmental Research Laboratory, Corvallis, Oregon.** The EPA-owned Willamette Research Station will be disposed, with functions consolidating into existing space. Disposal will result in reduction of 1,255 SF office space, 1,700 SF warehouse space, and 17,963 SF laboratory and all other spaces. Laboratory reduction projects are discussed in more detail in subsequent sections.
- **EPA Rapid Response Center, San Francisco, California.** In FY2021, EPA will release the Region 9 Central Regional Laboratory (44,940 USF) in Richmond, California, along with the Rapid Response Center warehouse in San Francisco, California. Functions will consolidate into a smaller facility in San Francisco, California. The consolidated facility

requirement is 14,410 USF (3,508 USF office, 9,317 USF warehouse, and 1,584 USF laboratory). Project will result in net increase of 977 USF warehouse, increase 3,508 USF office space, and reduction of 43,356 USF laboratory space. Laboratory reduction projects are discussed in more detail in subsequent sections.

FY2022 Office and Warehouse Targets

EPA's reported FY2022 reduction targets are 0 USF office space and 0 USF warehouse space.

FY2023 Office and Warehouse Targets

EPA's reported FY2023 reduction targets are 0 USF office space and 0 USF warehouse space.

FY2024 Office and Warehouse Target Accounting

EPA's reported FY2024 reduction targets are 0 USF office space and 25,000 USF warehouse space.

- **Grand Slam Building, Durham, North Carolina.** This facility is targeted to be vacated upon OA expiration in FY2024. Smaller, consolidated space will result in an estimated 25,000 warehouse space reduction.

Disposal Targets for Owned Buildings

Under the RTF policy, EPA is required to develop space reduction targets for owned spaces that are not offices or warehouses. EPA constantly assesses its agency-owned inventory for opportunities to consolidate or dispose of unutilized or underutilized properties, where no security concerns exist. All of EPA's owned facilities that are not offices or warehouses are laboratories, which are considered special-use spaces under the RTF policy. EPA's real property portfolio includes laboratories which are either leased through GSA, leased directly by EPA or owned by EPA.

Disposal targets for owned laboratory space and other non-RTF spaces are shown in Table 4 and the attached Reduction Targets for Owned Buildings spreadsheet. FY2018 consolidation, disposal, and construction projects are noted in the aforementioned attachment in addition to FY2019-2024 projects to document current FY performance. Table 4 does not account for owned office and warehouse space disposal (see Table 3 on page 6).

Table 4: Disposal Net Reduction[a] Targets for Non-Office, Non-Warehouse Owned Buildings, FY2019 – FY2024

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Disposal Target (SF)	32,847	-	17,963	-	-	
Number of Disposal Buildings	1	-	1	-	-	

[a] Reductions are reported as a positive value.

EPA targeted disposal of one owned facility in FY2019 and another in FY2021.

- **Large Lakes Research Station, Grosse Ile, Michigan.** Target date of FY2019 for the disposal of this facility (2,700 SF warehouse, 32,847 SF laboratory and all other spaces) will not be met. Staff moves are ongoing in FY2019, after which the property will proceed through the GSA property disposal protocol, with property release expected to occur in FY2020.
- **Environmental Research Laboratory, Corvallis, Oregon.** The EPA-owned Willamette Research Station will be disposed, with functions to be consolidated to the Western Ecology Division Laboratory in Corvallis, Oregon. Disposal will result in reduction of 1,255 SF office space, 1,700 SF warehouse space, and 17,963 SF laboratory and all other spaces.

Leased Laboratory Consolidations

Most of the laboratory consolidations and space reductions EPA is pursuing involve moving out of leased laboratory space into EPA-owned facilities. As a result, most of the laboratory space reductions EPA is executing cannot be included in the RTF targets because the required targets must be owned, non-office, non-warehouse space. Between FY2013 and FY2015, EPA moved out of the leased Environmental Chemistry Laboratory in Bay St. Louis, Mississippi, for a reduction of 26,785 USF, and the Reproductive Toxicology Facility Laboratory in Durham, North Carolina, for a reduction of 21,700 USF.

EPA completed or is actively planning further reductions of leased laboratory space across the agency, including:

- **Region 8 Central Regional Laboratory / National Enforcement Investigations Center, Lakewood Colorado.** In FY2019, the Region 8 Central Regional Laboratory in Golden, Colorado, comprising 34,100 USF, consolidated into the Denver Federal Center Building 25 (National Enforcement Investigations Center) in Lakewood, Colorado, resulting in a net reduction of 34,100 USF.
- **Harmon Avenue Complex, University of Nevada, Las Vegas, Campus.** EPA already eliminated a portion of the leased laboratory space from the National Exposure Research Laboratory at the Harmon Avenue Complex on the campus of the University of Nevada, Las Vegas, effective FY2017. The remainder of the complex (69,600 USF) will be eliminated in FY2020, concurrent with the consolidation of La Plaza office and warehouse spaces.
- **Region 9 Central Laboratory, Richmond, California.** In FY2021, EPA will release the Region 9 Central Regional Laboratory (44,940 USF) in Richmond, California, along with the Rapid Response Center warehouse in San Francisco, California. Functions will consolidate into a smaller facility in San Francisco, California. The consolidated facility requirement is 14,410 USF (3,508 USF office, 9,317 USF warehouse, and 1,584 USF laboratory). Project will result in net increase of 977 USF warehouse, increase 3,508 USF office space, and reduction of 43,356 USF laboratory space.
- **Region 4 Laboratory, Athens, Georgia.** In FY2024, 51,758 USF leased laboratory space will be released. The regional laboratory will merge with an EPA-owned Office of Research and Development (ORD) laboratory, also located in Athens. This project is

already underway with ORD research laboratory renovations to begin in anticipation of accommodating additional staff from the regional laboratory.

- **Region 6 Laboratory, Houston, Texas.** In FY 2024, 36,379 USF leased laboratory space will be released. The regional laboratory will merge with an EPA-owned Office of Research and Development (ORD) Laboratory located in Ada, Oklahoma.

Use of Performance Benchmarks to Identify Reduction Opportunities

EPA uses Performance Benchmarking metrics (1) current portfolio SF as a percentage of the FY2012 FTF baseline, (2) rent cost per SF, (3) operation and maintenance cost per SF, and (4) SF per person. The FY2015 RTF baseline is the primary efficiency measure for agency space reductions. The large majority of EPA's office and warehouse inventory is leased space, and therefore operation and maintenance costs are included in lease costs. Measurement of SF per person is a strong driver for targeting potential real estate consolidations.

EPA's space reduction efforts are driven both by reductions in agency workforce and by efforts to reduce utilization rates. In locations where a reduction in agency workforce results in space consolidation within a building already occupied by EPA, new furniture and workstations are not usually purchased. In new leased or owned spaces, EPA acquires new furniture and workstations that allow for smaller workstations and a reduction in utilization rates, in accordance with the EPA Office and Workstation Standards (Order 1000.10).

Although space reductions at EPA have proceeded at an aggressive pace in recent years, some barriers to further space reductions and cost savings remain. One of EPA's core mission requirements is to hold frequent public meetings in regional offices, often to solicit public input to the rulemaking process or other policy decisions. This requires EPA to maintain large conference rooms in accessible, centrally located urban centers where office space tends to have high rental costs. Tables 5 and 6, below, document EPA's performance against square footage benchmarks. EPA's benchmark for SF per person for direct lease office space denotes a single temporary leased building in Environmental Research Laboratory, Corvallis, Oregon.

Table 5: Benchmark Metric Summary for EPA, Square Footage Per Person

Benchmark Metric (SF per person)	FY2015	FY2018	Percent Change ((FY15 - FY18)/FY18)	Government-wide Average
Direct Lease Office	-	3,931.50	-	297.63
Owned Office	380.66	677.83	78.07	331.71
GSA OA Office	285.38	298.00	4.42	252.73

Table 6: Benchmark Metric Summary for EPA, Cost Per Square Footage

Benchmark Metric	FY2013	FY2018	Percent Change ((FY13-FY18/FY18)	Government-wide Average
Rent per SF Direct Lease Office	-	3.32	-	30.26
Rent per SF GSA OA Office	41.58	35.88	-13.71	28.01

O&M Cost per SF, Owned Office	6.20	11.56	86.59	6.12
Rent per SF GSA OA Warehouse	9.00	13.36	48.48	10.87
O&M Cost per SF Owned Warehouse	4.02	11.23	179.53	2.66
Percent of Owned Portfolio SF with Facility Condition Index of 85 or greater	-	84.56	-	74.06

<u>*Space Design Standard for Future Reductions*</u>
On July 18, 2016, EPA established Order 1000.10, Agency Office and Workstation Standards. This Order was created in response to OMB's Management Procedures Memorandum Number 2015-01 and OMB Memorandum M-12-12 (Section 3, Reduce the Footprint). To optimize the office space required to support the agency's mission while enhancing workplace flexibility, the document establishes EPA's policy for office and workstation maximum size. All office space must comply with the policy, regardless of whether the office space is in an office building, laboratory, or warehouse. The policy establishes a maximum workstation size of 70 SF for the majority of federal employees, applicable for new construction, new leases, and spaces being renovated or reconfigured. This workstation size suits most work styles and permits future changes with little need for reconfiguration. EPA's Office of Administration reviews all projects to ensure compliance with the design standards prior to project approval. Variance from the policy is reviewed and approved by the Director, Office of Administration.

<u>*Utilization Rates*</u>
EPA continually seeks opportunities to lower utilization rates upon lease and OA renewals. Increasing portfolio-wide utilization rates is a primary driver to execute disposal, consolidation, or co-location projects. As discussed, efficient space utilization is a key metric in the evaluation of laboratory facilities for consolidation or disposal opportunities, which are not reflected in EPA's office utilization rate. In FY2018, EPA had an administrative office utilization rate of 200 USF per person, inclusive of administrative office space at EPA's 10 regional offices; Headquarters; Research Triangle Park complex in Durham, North Carolina; and the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio. Administrative office space consists of assignable space comparable to commercial office space (including open workspaces, private offices, meeting rooms, file and storage rooms, coat closets, and reception areas). It does not include special space, such as data centers, laboratories, high density file rooms, and public waiting areas. Headcount is determined by the total number of Federal personnel and resident contractors assigned to a building.

GSA CONSOLIDATION PROGRAM

EPA has no active projects that have received GSA Consolidation Program funding. The only recent GSA Consolidation Program project recently reached completion. EPA received $8.9 million in consolidation funds for the consolidation of the Central Regional Laboratory in Golden, Colorado, with the National Enforcement Investigations Center (Denver Federal Center, Building 25) in Lakewood, Colorado. Final release of the leased Central Regional Laboratory occurred in December 2018.

Table 7: GSA Consolidation Program Funding Requests

Consolidation Project Building Name and Number	FY Submission	Consolidation Type	Consolidation Impact (Net SF Reduction)	Total Consolidation Funds Requested
Denver Federal Center, Building 25	FY2016	GSA-Leased to GSA-Owned	34,100 USF	$8.9M

CO-LOCATION OPPORTUNITIES

EPA works with GSA under the Federal Property Management Reform Act of 2016 to identify EPA facilities that are suitable for co-location with other federal property assets. GSA identified eight EPA facilities as possibly suitable locations for co-location: the Manchester Regional Laboratory in Port Orchard, Washington; the Willamette Research Station in Corvallis Oregon; the Gulf Ecology Division in Gulf Breeze, Florida; the Edison New Jersey laboratory, the Athens Georgia laboratory, the Andrew W. Breidenbach Environmental Research Center in Cincinnati, Ohio; Research Triangle Park in Durham, North Carolina; and the Narragansett, Rhode Island, laboratory.

EPA has already taken advantage of available co-location opportunities at a number of these locations. The Willamette Research Station is collocated with the U.S. Geological Survey, which has a vehicle garage on campus. The Edison laboratory is collocated with GSA offices, and the Gulf Breeze laboratory is collocated with the National Oceanic and Atmospheric Administration. EPA laboratories also partner with state agencies, which can result in co-location opportunities where appropriate. The Manchester Regional Laboratory is already fully utilized, and EPA co-locates with the Washington State Department of Ecology. The Athens, Cincinnati, Narragansett, and Research Triangle Park laboratories are special use spaces that are not suitable for co-location.

OPERATIONAL EFFICIENCIES

EPA actively tracks workplace staffing to identify facilities with workforce reductions that decrease utilization rates. In these cases, space reduction projects are identified to maintain high utilization rates. EPA takes advantage of opportunities to implement new workstation policy, EPA Order 1000.10, which supports and promotes the use of open office and open workstation space and allows for cost effectiveness and flexibility in organizational structure. EPA Order 1000.10 aims to create enclosed spaces only as-needed for communication of a sensitive nature, such as conference, interview, and negotiation rooms. Office and workstation environments are encouraged to promote flexibility, collaboration, and communication. Flexible workplaces will allow EPA to adapt to changes in work processes and staffing, and to accommodate telework with minimum costs. EPA maintains a formal telework program and teleconferencing system to allow eligible staff to work from alternate locations on a regular or intermittent basis.

EPA currently collects and manages data on owned and leased facilities using the Facility Management System (FMS). EPA uses Qlik Sense, a flexible data analytics and visualization development business intelligence platform. Interactive dashboards are fed from multiple data sources, allowing EPA real property personnel and managers to directly work with and integrate facility, human resources, and badging data. Qlik Sense allows for assessment of space utilization and personnel head counts through customized dashboards for easy and fast real property data analysis to support decision-making.

COMPLIANCE INTERNAL CONTROLS

All real property portfolio actions regarding acquisition, consolidation, co-location, or disposal of owned or leased space are authorized by the Director, Office of Administration. EPA does not adhere to a formal asset management policy. The number of planned and active acquisition, disposal and consolidation projects at any given time at EPA is small enough that the projects can be readily managed by a small team of real estate experts within RPSD. RPSD identifies and prioritizes space reduction projections through collection and analysis of EPA facility data through annual reporting, periodic master planning, and ad hoc analyses. EPA identifies candidate facilities with poor utilization rates or condition indices for disposals, consolidations, or co-locations to increase portfolio-wide utilization and facility condition.

Facility master plans are essential to EPA's compliance with the RTF policy. Facility master plans are in place for each EPA-owned facility and are updated every 5 to 10 years. The facility master plans are integrated with the agency's mission and describe and assess the major characteristics of the property. EPA incorporates energy and other sustainable design and operational considerations into its facility master plans. The following components are incorporated into sustainable master planning:

- Mission requirements;
- Long-term energy modeling;
- Long-range mechanical system/energy performance issues;
- Space utilization;
- Future capacity; and
- Condition assessment.

Facility master plans also contain strategies for the utilization, capital improvement, and major repairs, retirement and disposal of the properties.

FRPP DATA QUALITY IMPROVEMENT

Because of EPA's small inventory owned facilities, the agency's FRPP data are relatively static and therefore readily manageable. Facility managers from across the agency enter data for their respective facilities directly into FMS, and these data are validated when space surveys are conducted as part of the master planning process, which occurs every 5 to 10 years for all owned facilities.

EPA is planning to replace FMS with a cloud-based portfolio management system. EPA will obtain a workplace management system software that integrates functional models across real estate, capital projects, space management, facility management, and energy management on a single platform. The software change is anticipated to open new tools and capabilities for tracking and reporting real estate and construction projects, such as improved current performance visibility, future scenario modeling, metrics, and alerts. These additional tools are expected to improve data quality of FRPP report submissions.

EPA also uses Rent On the Web, an online GSA tool for federal agencies to view cost and space data from GSA-leased and GSA-owned facilities, to conduct validation of FMS data. EPA works with GSA to resolve data discrepancies when they arise, for both validation before and verification after annual data submissions.

CHALLENGES AND IMPROVEMENT OPPORTUNITIES

While EPA has successfully pursued an aggressive space reduction strategy in recent years, the agency continues to face a variety of challenges in reducing its real property portfolio, including:

- **Identification of mission-critical, non-office space.** EPA uses a variety of special-use space within office spaces. Most, if not all, of these special-use spaces are categorized as office space within FRPP. These special-use spaces include records storage rooms, Emergency Operations Centers and large conference rooms for public meetings. Because FRPP classifies these spaces as office space, the utilization rates in many facilities appear artificially low. The agency is working to address this space classification issue as facilities are subjected to space surveys during the aforementioned master planning process.
- **Security considerations.** EPA facilities with enhanced physical security requirements often have general public access restrictions which create challenges for consolidation of space. For example, EPA offices are unable to allow the general public to access an EPA-occupied floor within office buildings. EPA's opportunities for creating marketable space to release in these types of situations are often limited.
- **Location-dependent missions.** A number of EPA laboratories have missions that are highly geographically dependent, which limits the agency's ability to manage these real property assets via relocation or consolidation options. For example, the National Vehicle Fuel Emissions Laboratory is specifically sited in Ann Arbor, Michigan, because of its proximity to the headquarters of leading auto manufacturers in Detroit. A number of laboratories, including the Gulf Ecology Division, Atlantic Ecology Division, Pacific Coastal Ecology Branch and Mid-Continent Ecology Division, are located within the ecosystems they are charged to study. EPA's Criminal Investigation Division maintains a nationwide federal presence and must have facilities located in close proximity to suspected environmental crimes. These missions can limit relocation and consolidation options.
- **Limited resources.** EPA is limited in both funding and staffing. Also, tenant improvement costs for new spaces do not incorporate shell costs, which hinders EPA's ability to achieve legislative and executive-order requirements for sustainability and energy reductions.
- **Cost of furniture.** EPA must make significant investments in new furniture and structural reconfigurations to execute office consolidations that comply with new space design standards. Where possible, EPA is reusing furniture from downsized facilities.

- **Environmental Due Diligence Process (EDDP).** Disposing of laboratories often requires a rigorous EDDP because of the hazardous materials used in many laboratory processes. EDDP activities can be costly and time consuming, and therefore place additional constraints on setting disposal targets. In addition, the disposal of owned laboratory space often involves consolidation with other existing laboratory facilities. This places constraints on disposal because space in existing facilities often have to be modified or built out to consolidate new functions and staff into that space.
- **Historic buildings.** Some EPA offices are located in historic buildings, such as the William Jefferson Clinton Federal Buildings, which limit EPA's ability to modify the spaces, such as altering walls, corridors and other interior partitions to consolidate space.

EPA recognizes and seeks to seize opportunities to enhance the efficiency and cost savings of the agency's real property portfolio. EPA has in the past taken advantage of opportunities to leave leased commercial space and relocate into federal buildings, often co-locating with other agencies. Opportunities to make such relocations are limited because EPA regional offices are often too large to fit entirely within co-located federal buildings. However, the agency has, in recent years, successfully moved and consolidated offices into federal buildings in Boston, San Antonio, and the District of Columbia.

In the coming years, EPA will continue to build on the substantial progress it has already made reducing its real property footprint through reductions in office, warehouse, and laboratory space. EPA not only will seek to reduce space where utilization rates are low by historic standards but also will continue to implement new space design standards designed to meet the needs of its mobile, twenty-first century workforce.

Attachments:
1. Office and Warehouse Asset Changes Spreadsheet
2. Reduction Targets for Owned Buildings Spreadsheet

9.18.19

Date

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